V.   WE CLAIM:

1. (Currently amended)   A computer-aided method for card activity-based residential expense crediting, the method including:

associating card activity with an external residential expense;

crediting an amount to the <u>external</u> residential expense responsive to the card activity; and

generating output including the ~~card activity-based~~ <u>external</u> residential expense crediting.

2. (Previously presented)   The method of claim 45, further including:

applying some of the amount in a funds transfer to pay the expense.

3. (Previously presented)   The method of claim 45, wherein the associating card activity with an external residential expense includes the entering external mortgage-identifying data; and

carrying out the crediting according to the data.

4. (Previously presented)   The method of claim 2, wherein the associating card activity with an external residential expense includes the entering external mortgage-identifying data; and

carrying out the crediting according to the data.

5. (Previously presented)   The method of claim 45, wherein the external residential expense is a closing cost.

6. (Previously presented)   The method of claim 45, wherein the external residential expense is a downpayment.

7. (Previously presented)   The method of claim 4, wherein the external residential expense is insurance.

8. (Currently amended)   A method for card activity-based residential expense crediting, the method including:

associating card activity with a non-mortgage residential expense;

crediting an amount to the non-mortgage residential expense responsive to the card activity;

applying some of the amount to produce a payment for the expense; and

generating output including the crediting and the applying.

9. (Previously presented)   The method of claim 46, where the applying includes producing a closing cost payment as the payment for the expense.

10. (Previously presented)   The method of claim 45, where the applying includes producing a downpayment as the payment for the expense.

11. (Previously presented)   The method of claim 45, where the applying includes producing an insurance payment as the payment for the expense.

12. (Previously presented)   The method of claim 45, where the applying includes producing a payment for at least one discount point as the payment for the expense.

13. (Previously presented)   The method of claim 45, where the applying includes producing a prepaid interest payment as the payment for the expense.

14. (Previously presented)   The method of claim 45, where the applying includes producing a payment to an escrow account as the payment for the expense.

15. (Previously presented)   The method of claim 45, where the applying includes producing a payment triggering acquisition of a member of the group the group consisting of a boat, a motor home, a mobile home, a trailer, mineral rights, water rights, riparian rights, and parking space acquisition as the payment for the expense.

16. (Previously presented)   The method of claim 45, where the applying includes producing a tax payment as the payment for the expense.

17. (Previously presented)   The method of claim 45, where the applying includes producing a fee payment from the group consisting of a an impact fee, new construction fee, government fee, recording fee, transfer fee, miscellaneous fee, mitigation fee, origination fee, commission, review and funding fee, wire transfer and courier fee, title and closing fee, an underwriting processing fee, and a flood certificate fee as the payment for the expense.

18. (Previously presented)   The method of claim 45, where the applying includes producing a payment for a cost from the group consisting of a stamp, a title endorsement, a tax certificate, an environmental and termite inspection, a radon test, an

inspection, an appraisal, abstract search, title search, title examination, title insurance binder, and a credit report as the payment for the expense.

19. (Previously presented)   The method of claim 45, where the applying includes producing a payment for fee payment from the group consisting of a tax service fee, an architect fee, an engineering fee, a surveying fee, an attorney fee, a realtor fee, and a notary fee as the payment for the expense.

20. (Previously presented)   The method of claim 45, where the applying includes producing a payment of a cost from the group consisting of a dockage fee and a marina fee as the payment for the expense.

21. (Previously presented)   The method of claim 45, where the applying includes producing a payment of a cost from the group consisting of a lot cost, land cost, equity sharing cost, development cost, infrastructure cost, material cost, landscaping, fix-up cost for work and materials required to close the loan, house-hunting costs, and moving cost as the payment for the expense.

22. (Previously presented)   The method of claim 45, where the applying includes producing a payment of a cost from the group consisting of an ongoing residential expense, the expense from the group consisting of a special assessment, a homeowner assessment, a membership fee, an association due, common area fee, and parking maintenance as the payment for the expense.

23. (Previously presented)   The method of claim 45, where the applying

includes producing a payment of a cost from the group consisting of appliance acquisition, appliance upgrade, and a material upgrade as the payment for the expense.

24. (Previously presented)   The method of claim 45, where the applying includes producing a payment of a rent as the payment for the expense.

25. (Previously presented) The method of any one of claims 1-24, 45, and 46, further including the applying a preferential crediting rate in the crediting for an internal expense.

26. (Previously presented)   The method of any one of claims 1-24, 45, and 46, wherein the applying is carried out in response to an instruction received over the Internet.

27. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, wherein the applying includes communicating includes:

printing a check for the amount;

printing a coupon with the amount for carrying out payment of the mortgage with the check; and

combining the check and the coupon with a statement of the card activity in a computer-addressed envelope so as to address the envelope.

28. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

changing an allocation of the credit activity between expenses in response to an instruction from the cardholder.

29. (Currently amended)   The method of any one of claims 1, 8, 45, and 46,ᴛ further including:

changing an allocation of the credit activity between interest and principle in response to an instruction from a holder from the group consisting of the cardholder and an expense holder.

30. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

allocating a portion of the credit activity to a charity; and

issuing a tax deduction statement responsive to the portion.

31. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

computing an annual statement of said crediting; and

communicating the annual statement to the cardholder.

32. (Previously presented)   The method of claim 31, wherein the computing an annual statement includes:

computing mortgage interest paid by the crediting.

33. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

allocating a portion of the amount between multiple mortgages.

34. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

associating the expense with second card activity of a second cardholder; crediting an amount to the expense responsive to the second card activity; and

wherein the generating output includes generating the output including the second charge card activity-based crediting.

35. (Previously presented)   The method of any one of claims 1, 8, 45, and 46, further including:

communicating a funds transfer to a charity for payment of the expense.

36. (Previously presented)   A method for carrying out card activity-based residential expense crediting, the method including:

forming a combination in an envelope, the combination including at least two of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

37. (Currently amended)   A~~p~~paratus to ~~method for making a digital computer system programmed for~~ carry~~ing~~ out card activity-based residential mortgage ~~expense~~ crediting, the ~~method~~ apparatus including:

~~providing~~ a digital computer and data processing system comprising a digital computer ~~electrically connected to~~ in communication with an input device for receiving ~~inputting~~ data and ~~to~~ with an output device, ~~; and~~

~~programming~~ the digital computer programmed to ~~associate card activity with an~~

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~~external residential~~ process the input data to produce an electronic file including data representing a residential mortgage ~~expense~~, to credit an amount to the residential mortgage ~~expense~~ responsive to ~~the~~ card activity, and to generate output, at the output device, the data including the card activity~~-based~~ crediting, ~~to form the digital computer system programmed for carrying out card activity-based mortgage crediting~~; wherein the file is accessed to communicate the data representing the residential mortgage to a lender computer in allowing the lender computer to participate in a computer-aided mortgage auction that produces a proposed new mortgage.

38. (Currently amended)   A method for making a digital computer system programmed for carrying out card activity-based external residential expense crediting, the method including:

providing a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device; and

programming the digital computer to associate card activity with an external residential expense, to credit an amount to the external residential expense responsive to the card activity, and to generate output including the ~~card activity-based~~ crediting, to form the digital computer system ~~programmed for carrying out card activity-based mortgage crediting~~.

39. (Previously presented)   A method for making a digital computer system programmed for carrying out card activity-based residential expense crediting, the method including

providing a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device;

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and

programming the digital computer to associate card activity with a non-mortgage residential expense, to credit an amount to the residential expense responsive to the card activity, to apply some of the amount to produce a payment for the expense, and to generate output including the crediting and applying, to form the digital computer system programmed for carrying out card activity-based mortgage crediting.

40. (Currently amended) A digital computer system programmed for carrying out card activity-based residential expense crediting, the computer system including:

a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device, said digital computer programmed to associate card activity with a non-mortgage residential expense, to credit an amount to the non-mortgage residential expense responsive to the card activity, to apply some of the amount to produce a payment for the expense, and to generate output including at least two of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

41. (Currently amended) A digital computer system programmed for carrying out card activity-based residential expense crediting, the computer system including:

a digital computer and data processing system comprising a digital computer electrically connected to an input device for inputting data and to an output device, said digital computer programmed to associate card activity with an external mortgage residential expense, to credit an amount to the external residential expense responsive to the card activity, to apply

some of the amount to produce a payment for the expense, and to generate output including at least two of:

a check printed for the payment of the expense;

a coupon printed for making the payment with the check; and

a statement of showing the card activity and the crediting.

42. (Currently amended)   A method for carrying out computerized card activity-based non-mortgage residential expense crediting, the method including:

crediting card activity to a non-mortgage expense payment in response to a cardholder instruction received over the Internet.

43. (Currently amended)   A method for carrying out computerized card activity-based external residential expense crediting, the method including:

crediting card activity to an external residential expense payment in response to a cardholder instruction received over the Internet.

44. (Previously presented)   The method of claim 43, wherein the crediting is carried out with a mortgage as the external residential expense payment.

45. (Previously presented)   The method of claim 1, further including:

obtaining identifying data for the external residential expense; and

wherein the crediting is carried out with the amount comprising a reward.

46. (Previously presented)   The method of claim 8, further including:

obtaining identifying data for the external residential expense; and

wherein the crediting is carried out with the amount comprising a reward.

47. (Previously presented)   The method of claim 36, further including the producing said card activity-based residential expense crediting by entering identifying data for the external residential expense in a computer and computing a reward corresponding to the crediting.

48. (Previously presented)   The method of claim 37, wherein the programming includes programming to carry out the obtaining identifying data for the external residential expense, and wherein said amount comprises a reward.

49. (Previously presented)   The method of claim 38, wherein the programming includes programming to carry out the obtaining identifying data for the external residential expense, and wherein said amount comprises a reward.

50. (Previously presented)   The method of claim 39, wherein the programming includes programming to carry out the obtaining identifying data for the external residential expense, and wherein said amount comprises a reward.

51. (Previously presented)   The system of claim 40, wherein said amount comprises a reward.

52. (Previously presented)   The system of claim 41, wherein said amount comprises a reward.

53. (Currently amended)   The system of claim- 42, further including the computing a reward used in carrying out said crediting.

54. (Currently amended)   The system of claim- 43, further including the computing a reward used in carrying out said crediting.

55. (Currently amended)   A computer-aided method for card activity-based residential expense crediting, the method including:

associating card activity with an external residential expense and with a non-mortgage residential expense;

crediting an amount to the <u>external</u> residential expense responsive to the card activity; and

generating output including the ~~card activity-based~~ <u>external residential</u> expense crediting.

56. (Currently amended)   A computer-aided method for card activity-based <u>external</u> residential expense crediting, the method including:

associating card activity with an expense that is an external residential expense and a non-mortgage residential expense;

crediting an amount to the residential expense responsive to the card activity; and

generating output including the ~~card activity-based~~ <u>external residential</u> expense crediting.